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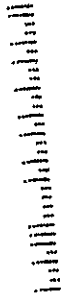
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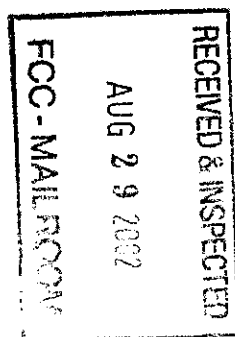
SEP 25 2002

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The Honorable Michael K. Powell Chairman
Federal Communications Commission
The Portals
445 12th Street, S.W., Room 8-B201
Washington, D.C. 20554



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**FEDERAL COMMUNICATIONS COMMISSION
LOCAL AND STATE GOVERNMENT ADVISORY COMMITTEE**

ORIGINAL

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August 20, 2002

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Re: Cable Modem Issues and Local Franchising Authorities

Dear Chairman Powell and Commissioners:

As Chair of the Local and State Government Advisory Committee I write in an attempt to clarify the conflicting messages that have been provided to local franchising authorities by two of your Bureau Chiefs. My hope in sending this letter is that the LSGAC might better serve in its role as a conduit of messages and procedures between the FCC and local/state government by providing franchising authorities with a clearer picture of their rights and responsibilities regarding cable modem services. Because the LSGAC next meets on September 27, we would greatly appreciate your guidance on this matter either at or before that meeting.

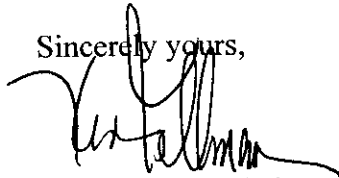
Media Bureau Chief Ken Ferree is credited in both press and industry reports as stating the Commission had concluded that cable modem service was an interstate information service subject only to the jurisdiction of the Commission and that cable operators need no longer make franchise fee payments for cable modem services.¹

¹ At the press conference following the Commission March meeting, Mr. Ferree was asked, "Do you anticipate the cable companies starting today will stop paying them (franchise fees)?" Mr. Ferree first explained the ceiling on cable franchise fees under Section 622 (a) of the Act and then stated "...[C]able modem services no longer should be considered in determining the ceiling on cable franchise fees."

In a May 14, 2002 letter to the LSGAC, Consumer and Governmental Affairs Chief Dane Snowden expressed concern that a number of state and local franchising authorities had begun to direct cable modem complaints to the FCC following the March order. Chief Snowden stated, "[M]y view is that we should continue our practice, which predates the Commission's March 15 decision, of forwarding consumer complaints about cable modem service to local franchising authorities for appropriate handling as we do most other consumer complaints about cable matters. Significantly, the FCC has not resolved the question of whether its classification of cable modem services precludes state and local authorities from regulating cable modem service and facilities in particular ways...."

The conflict between the two Bureau Chiefs is significant and confusing to franchising authorities. As stated above, the LSGAC next meets on September 27th, and would respectfully request clarification either prior to that meeting, or perhaps hear from you at the meeting to clarify the conflict.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Ken Fellman', with a stylized, cursive script.

Ken Fellman, Chairman

KSF/eaj

cc: LSGAC and staff
W. Kenneth Ferree
K. Dane Snowden
Marsha J. MacBride
Susan Eid
Kris Monteith, CGB
Alexis Johns
Catherine Crutcher Bohigian
Stacy Robinson